



FINANCE HANDBOOK FOR SOLDIER'S

























"SERVE AND DEFEND"

PRESENTED BY: 175th FINCOM



February 2003









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PREFACE

This handbook was developed by the 175th Finance Command (FINCOM) and designed with the soldier in mind. This handbook is useful for all soldiers with special emphasis on Korea specific entitlements. It helps to explain Army pay and allowances and addresses basic financial information on managing your money, budgeting, and investments. It will assist soldiers in preparing for financial readiness. For more information on Finance related issues visit the 175th FINCOM web page at <http://175fincom.korea.army.mil/>.

CHAPTER 1

FINANCE INITIATIVES

myPay

The Defense Finance and Accounting Service (DFAS) myPay system is an innovative, automated system that puts you in control of processing certain discretionary pay data items without using paper forms. myPay is convenient, reliable, and time saving. It can be accessed nearly 24 hours a day, 7 days a week by using either of the following internet addresses: <https://mypay.dfas.mil> or <http://www.dfas.mil/mypay>.



When you access myPay for the first time, you will be asked to enter your Social Security Number (SSN) and temporary Personal Identification Number (PIN). If you don't have a PIN you must FAX or mail the following information to DFAS in order to establish a new temporary PIN: name, SSN, copy of your government photo ID, daytime phone number, and signature. The fax number is 216-522-5800 and the mailing address is DFAS-Cleveland/PMCAA, Attention myPay, 1240 East 9th Street, Cleveland, Ohio 44199. If you fax or mail your request, your new Temporary PIN will be set to the **last five numbers of your SSN**. Please wait **at least** two business days before attempting to use your new temporary PIN (allow additional time if you mailed your request). **You will not receive any notification that your temporary PIN has been reset.** If your PIN does not work, call the myPay Customer Support Unit (CSU) at 1-800-390-2348 or (216) 522-5122 between the hours of 7:00 am and 7:00 pm (EST) Monday through Friday.

Currently myPay allows you to:



- Change your federal tax withholdings
- Enroll in thrift savings plan
- Change direct deposit information
- View and print your current LES/NPA plus 2 previous ones.
- View travel payments paid by all DFAS sites (except DFAS-Denver) within the last six (6) months
- Change State tax withholding information
- Start, stop, or change allotments
- Start and update bond information

FINANCE COMMANDER'S HOTLINE (725-CASH)

WHO: Soldiers with unresolved pay concerns.



WHAT: Soldiers who have contacted their local finance office without any resolution can call the Finance Commanders Hotline @ (725-CASH or 725-2274) for assistance. Soldiers should ensure they have in fact visited the local Finance Office and the local Finance Office was unable to resolve your pay concern.



GOVERNMENT TRAVEL CARD

The Government Travel Card is designed to cover expenses for lodging, meals, and incidental expenses incurred during official Government Temporary Duty (TDY) travel. Travelers must use their Bank of America Government Travel Card only for expenses incurred during official TDY travel (as authorized and validated by travel orders) for which traveler is entitled reimbursement. While DOD policy permits the use of the travel charge card for permanent change of station (PCS), it is discouraged within the Army. Cash (ATM) withdrawals are authorized solely for the purpose of obtaining funds for approved official travel. Use of the Government Travel Card for any other purpose is strictly prohibited. **Do not use it for personal expenses.**



There is no excuse for abusing the card or failing to reimburse Bank of America in a timely manner. Accounts that are 120 days delinquent in payment will be cancelled. Bank of America will also report the delinquency to the national credit bureaus, which will damage the soldier's ability to get credit in the future. Military travelers abusing the Government Travel Card are subject to punishment under the UCMJ. Abuse of the card may result in suspension of card privileges or cancellation and disciplinary action. Garnishment of the cardholder's pay entitlements by the contractor through the judicial



process for non-payment of debt is available in the current contract. For more information visit <http://www.bankofamerica.com/government>.

The balance on the travel card account must be paid in full when the monthly bill is received. It is not a credit card -- the balance cannot be carried forward from one month to the next. The soldier has the responsibility to pay the Government Travel Card when it is due regardless when reimbursement is received.



PAYROLL SAVINGS PLAN FOR U.S. SAVINGS BONDS

If you want to do more than just get by, you need to start saving money and planning for tomorrow. The Payroll Savings Plan for U.S. Savings Bonds is a safe and convenient way to allow your hard earned money to work without risk. The Bonds are backed by the full faith and credit of the United States. The longer you let your bonds grow, the greater the benefit to you; however, you can redeem them any time after six months. If redeemed before 5 years, there is a 3-month loss of interest.

To purchase savings bond complete a DD form 2599 to start an allotment; a SB-2104 for Series EE Bonds and/or a SB-2305 for Series I Bonds. The PAC will take these forms to the Finance Office for input.

Easy to Buy!

Good for America!

Safe and Secure!

Tax Advantages!



Great Reasons


Market Based Investment!

Liquid Long-Term Investment!

Education Savings!

Whether you select the Series I Bonds or Series EE Bonds, your money is guaranteed to grow and remain safe. Both series offer competitive rates of return compared to other forms of saving. The interest on savings bonds accrues monthly and compounds semiannually. It is exempt from all state and local income taxes. Federal taxes are deferred until the Bonds reach final maturity or you redeem them, whichever is first. A comparison of the I and EE Bonds is provided below.



	EE Bond	I Bond
Features	Issued at 50% of face value. (\$100 EE Bond costs \$50.)	Issued at face value. (A \$100 I Bond costs \$100.)
	Offered in 8 denominations (\$50, \$75, \$100, \$200, \$500, \$1,000, \$5,000, and \$10,000).	Offered in 8 denominations (\$50, \$75, \$100, \$200, \$500, \$1,000, \$5,000, and \$10,000).
	\$15,000 issue price (\$30,000 face value) annual purchase limit per person.	\$30,000 annual purchase limit per Social Security Number.
Interest	Calculated as 90% of 6-month averages of 5-year Treasury Securities yields.	Calculated as an earning of a fixed rate of return and a semiannual inflation rate based on CPI-U.
	Rates announced every May 1 and November 1.	Rate Announcement: Same as EE.
	Guaranteed to reach face value in 17 years.	No guaranteed level of earnings.
	Increases in value monthly and compounded semiannually. Interest is paid when the bond is redeemed.	Generally increases in value monthly and interest compounds semiannually (except in periods of deflation when the bond value could remain unchanged). Interest is paid when the bond is redeemed.
	Earn interest for up to 30 years.	Life span: Same as EE.
Exchange	Can be exchanged for Series HH savings bonds.	Cannot be exchanged for any other series of savings bonds.
Cashing	Can be redeemed after first 6 months.	
	A 3-month interest penalty applies to bonds redeemed during the first 5 years.	
	Financial institution reports interest earnings (difference between redemption value and purchase price) on IRS form 1099-INT. Savings bonds are exempt from state and local income taxes.	
	Eligible for tax benefits upon redemption when used for qualified education expenses.	

The savings bond system allows active duty members for all branches of military service, to request bonds they have purchased through allotment deductions to be kept in safekeeping. These bonds are held until the member requests the bonds to be mailed to a current mailing address. Requests must contain the members name, Social Security Number, a valid mailing address and the bonds they want mailed. Thirty days must be allowed before a member can claim non-receipt of a bond. The members **signed** request may be submitted in writing or by fax to the DFAS-IN, ATTN: ADCABG, 8899 E. 56TH ST., INDIANAPOLIS, IN 46249. Fax number is 317-510-2731 or DSN 699-2731 and phone number is 317-510-0586 or DSN 699-0586.

For more information on savings bonds visit <http://www.savingsbonds.gov/>.

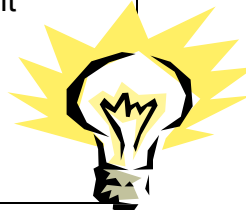


THRIFT SAVINGS PLAN (TSP)




Effective 9 October 2001, service members became eligible to join the TSP. The TSP is designed to allow active duty members and members of the Ready Reserve or National Guard to save a part of their military pay for retirement in a plan that offers pre-tax savings and tax-deferred investment earnings. Only pay for active service, which includes basic pay, incentive pay, special pay and bonuses, can be contributed to the TSP. Currently service members may contribute up to 7% of these pay entitlements. The percentage rate increases each year until 2006 when it will be unlimited. However, the total amount you contribute each year cannot exceed the Internal Revenue Code's elective deferral limit (26 U.S.C. Sec 402(g)) for that year (for 2003, the limit is \$12,000).

Pay Period	Contribution Limit
2003	8%
2004	9%
2005	10%
2006 and After	Unlimited



To contribute from special pay, incentive pay, or bonuses, you must be contributing from basic pay. If you anticipate receiving a large bonus (such as a reenlistment bonus) and want to contribute all or part of it to the TSP, you must start your contributions from basic pay before receiving the bonus.

You can contribute as little as one percent of your basic pay each pay period. Even small savings add up over time. If you put in only \$40 from your pay each month, here's the approximate amount you could have in your TSP account in 20 years.

\$40 monthly contributions		\$9,600
Earnings (assuming 7% a year)		<u>11,359</u>
Your total in 20 years		\$20,959

Participation is optional and service members must enroll during the open seasons, which are 15 May – 31 July and 15 November – 31 January of each year. Once enrolled the service member will receive an introductory letter and a personal identification number (PIN). The PIN allows the service member to make contribution allocations to any of the 5 investment funds. For more information visit <http://www.tsp.gov/>.

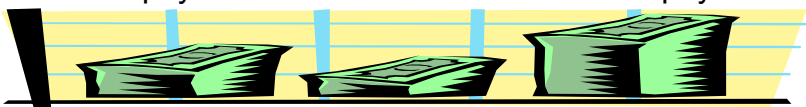


CHAPTER 2

TYPES OF PAY

BASE PAY

Base pay is the pay a soldier receives according to grade and longevity. The current base pay table is provided below. Base pay is taxable. For the most current pay tables visit <http://www.dfas.mil/>.



Base Pay Rates as of 1 Jan 2003

	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
O-10	0	0	0	0	0	0	0	0	0	0	0	12,077.70	12,137.10	12,389.40	12,829.20
O-9	0	0	0	0	0	0	0	0	0	0	0	10,563.60	10,715.70	10,935.60	11,319.60
O-8	7,474.50	7,719.30	7,881.60	7,927.20	8,129.40	8,468.70	8,547.30	8,868.90	8,961.30	9,238.20	9,639.00	10,008.90	10,255.80	10,255.80	10,255.80
O-7	6,210.90	6,499.20	6,633.00	6,739.20	6,930.90	7,120.80	7,340.40	7,559.40	7,779.00	8,468.70	9,051.30	9,051.30	9,051.30	9,051.30	9,096.90
O-6	4,603.20	5,057.10	5,388.90	5,388.90	5,409.60	5,641.20	5,672.10	5,672.10	5,994.60	6,564.30	6,898.80	7,233.30	7,423.50	7,616.10	7,989.90
O-5	3,837.60	4,323.00	4,622.40	4,678.50	4,864.80	4,977.00	5,222.70	5,403.00	5,635.50	5,991.90	6,161.70	6,329.10	6,519.60	6,519.60	6,519.60
O-4	3,311.10	3,832.80	4,088.70	4,145.70	4,383.00	4,637.70	4,954.50	5,201.40	5,372.70	5,471.10	5,528.40	5,528.40	5,528.40	5,528.40	5,528.40
O-3	2,911.20	3,300.30	3,562.20	3,883.50	4,069.50	4,273.50	4,405.80	4,623.30	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10
O-2	2,515.20	2,864.70	3,299.40	3,410.70	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O-1	2,183.70	2,272.50	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80
	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
O-3E	0	0	0	3,883.50	4,069.50	4,273.50	4,405.80	4,623.30	4,806.30	4,911.00	5,054.40				
O-2E	0	0	0	3,410.70	3,481.20	3,591.90	3,778.80	3,923.40	4,031.10	4,031.10	4,031.10				
O-1E	0	0	0	2,746.80	2,933.70	3,042.00	3,152.70	3,261.60	3,410.70	3,410.70	3,410.70				
	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
W-5	0	0	0	0	0	0	0	0	0	0	0	5,169.30	5,346.60	5,524.50	5,703.30
W-4	3,008.10	3,236.10	3,329.10	3,420.60	3,578.10	3,733.50	3,891.00	4,044.60	4,203.60	4,356.00	4,512.00	4,664.40	4,822.50	4,978.20	5,137.50
W-3	2,747.10	2,862	2,979.30	3,017.70	3,141.00	3,281.70	3,467.40	3,580.50	3,771.90	3,915.60	4,058.40	4,201.50	4,266.30	4,407.00	4,407.00
W-2	2,416.50	2,554.50	2,675.10	2,763.00	2,838.30	2,993.10	3,148.50	3,264.00	3,376.50	3,453.90	3,579.90	3,705.90	3,831.00	3,957.30	3,957.30
W-1	2,133.90	2,308.50	2,425.50	2,501.10	2,662.50	2,782.20	2,888.40	3,006.90	3,085.20	3,203.40	3,320.70	3,409.50	3,409.50	3,409.50	3,409.50
	<2	2	3	4	6	8	10	12	14	16	18	20	22	24	26
E-9	0	0	0	0	0	0	3,564.30	3,645.00	3,747.00	3,867.00	3,987.30	4,180.80	4,344.30	4,506.30	4,757.40
E-8	0	0	0	0	0	2,975.40	3,061.20	3,141.30	3,237.60	3,342.00	3,530.10	3,625.50	3,787.50	3,877.50	4,099.20
E-7	2,068.50	2,257.80	2,343.90	2,428.2	2,516.4	2,667.90	2,753.4	2,838.30	2,990.40	3,066.30	3,138.60	3,182.7	3,331.50	3,427.80	3,671.40
E-6	1,770.60	1,947.60	2,033.70	2,117.10	2,204.10	2,400.90	2,477.40	2,562.30	2,636.70	2,663.10	2,709.60	2,709.60	2,709.60	2,709.60	2,709.60
E-5	1,625.40	1,733.70	1,817.40	1,903.50	2,037.00	2,151.90	2,236.80	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30
E-4	1,502.70	1,579.80	1,665.30	1,749.30	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E-3	1,356.90	1,442.10	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E-2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 >4	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
E-1 <4	1,064.70	0	0	0	0	0	0	0	0	0	0	0	0	0	0



The military offers more than 50 special pays for special work. Some of these special pays are tied to particular skills, while others are used to compensate members for unusual inconveniences or hazards. The most common are listed below: A complete listing is located in the Department of Defense Financial Management Regulation (DODFMR) Volume 7A at <http://www.dtic.mil/comptroller/fmr/07a/index.html>.

FOREIGN LANGUAGE PROFICIENCY PAY (FLPP)



An officer or enlisted member of the Army entitled to basic pay, who has been certified by the Secretary of the Army within 12 months (or 12 months plus 180 days when called or recalled to active duty in support of a contingency operation) to be proficient in a foreign language and identified by the Secretary of Defense for such pay, and who meets certain conditions may be paid FLPP. A service member may receive FLPP for more than one language; however, he cannot exceed the established limit. The FY 2000 Authorization Act and the new DoD Instruction authorized an increase effective April 1, 2000 in the maximum payable from \$100 to \$300. The revised FLPP program is now based on the level of proficiency a member possesses in a foreign language skill (listening, reading, and/or speaking). There are two types of FLPP. FLPP I is for career linguists who are assigned to a position or those who are in the exempt categories for assignment. FLPP II is for non-career linguists who are proficient in a language but are not assigned to a language position. For more information visit <http://www.dtic.mil/comptroller/fmr/07a/07A19.pdf>.

HARDSHIP DUTY PAY (HDP)



Effective 1 January 2001, Phase II HDP-L replaced Phase I HDP-L formerly known as Foreign Duty Pay (FDP). Phase II HDP-L is additional compensation paid to military personnel assigned to locations where living conditions are substantially below those conditions encountered in the contiguous United States. Phase II HDP-L is paid in recognition of the extraordinarily arduous living conditions, excessive physical hardship, and/or unhealthful conditions that exist in the area. Members must be in the location for at least 30 days to get the pay. Phase II HDP-L is payable to both officers and enlisted. Currently, the rates for HDP-L are \$150.00 a month for service members assigned to Area I and \$50.00 a month for those assigned to Areas II-IV. This entitlement is authorized by finance during in-processing and appears on the Leave and Earnings Statement (LES) as Save Pay.

The second type of HDP is for mission assignment (HDP-M) and is payable to all members, officer and enlisted, for performing designated hardship missions. Members assigned to or working with the Defense Prisoner of War/Missing Personnel Office, the Joint Task Force-Full Accounting, or Central Identification Lab-Hawaii receive **\$150 a month** for any month in which they perform investigative or remains recovery duty in a remote, isolated area to recover U.S. servicemembers' remains. These payments are



based on performance of a Hardship Mission. For more information visit <http://www.dtic.mil/comptroller/fmr/07a/07A17.pdf>.

IMMINENT DANGER/HOSTILE FIRE PAY (IDP/HFP)



Special pay of **\$150 per month** is payable to members assigned to duties subject to hostile fire or explosion of hostile mines or imminent danger in places or situations as prescribed by the Secretary of Defense. Some of the currently designated areas include but are not limited to: Cambodia; Lebanon; Sudan; Kuwait; Iraq; Persian Gulf; Saudi Arabia; Turkey; Somalia; Haiti; Croatia, and Bosnia-Herzegovina. IDP/HFP is payable in the full amount, without proration or reduction, for each month during any part of which a member qualifies. For more information visit <http://www.dtic.mil/comptroller/fmr/07a/07A10.pdf>.

SPECIAL DUTY ASSIGNMENT PAY (SDAP)



An enlisted member entitled to basic pay may qualify for special duty assignment pay when the member performs duties designated by the Secretary concerned as extremely difficult or involving an unusual degree of responsibility. A member entitled to special duty assignment pay may receive such pay in addition to any other pay or allowances to which entitled. Special duty assignment pay status is awarded according to the applicable regulations of the Military Service concerned. When a soldier is assigned to duty that authorizes special duty pay, the unit PAC should ensure a copy of the assignment orders are submitted on Finance, no later than 30 days after the date of assignment. Special duty assignment pay is subject to withholding of income tax but not subject to withholding of FICA taxes. Examples are Drill Sergeant, and Recruiter Pay. For more information visit <http://www.dtic.mil/comptroller/fmr/07a/07a08.pdf>.

CHAPTER 3

ALLOWANCES



An allowance is a monetary amount paid to a soldier in lieu of furnished government quarters, government meals, or to compensate for other circumstances which may create a financial hardship for soldiers because of their military service (e.g., higher cost



of living in certain geographic areas and deployments causing soldiers to be separated from families). Allowances are non-taxable.

BASIC ALLOWANCE FOR HOUSING

On 1 January 1998, the Services phased in a new housing allowance system called the Basic Allowance for Housing (BAH). BAH is one monthly payment, replacing separate payments of Variable Housing Allowance (VHA) and Basic Allowance for Quarters (BAQ). BAH is based on rental costs by pay grade, dependency status, and geographical location of soldier and or dependents. The intent of the new allowance is to provide uniformed service members housing compensation based on comparable civilian costs of housing. Soldiers must recertify BAH upon in-processing a new duty station.



Basic Allowance for Housing (BAH) provides members a monthly allowance for housing. This allowance is authorized for members with and without dependents not residing in family quarters. BAH consists of BAH-I, BAH-II, BAH-Difference (BAH-DIFF), Partial BAH, Overseas Housing Allowance (OHA) and Family Separation Housing (FSH-I). These allowances, in whole or in part, are not intended to pay the entire housing costs but only the monthly housing amount authorized by regulation. There are exceptions to these allowances and the local finance office can provide additional information. This information can also be found at www.dtic.mil/perdiem/bahfaq.html. The following is a brief description of the types of BAH.

- BAH-I is based upon location of dependents and rank of service member. Service members in Korea, living in barracks or unaccompanied quarters, will receive BAH-I for dependents that are located in a designated CONUS area and are not residing in family quarters.

Service members serving an unaccompanied tour in Korea, that are authorized to reside off post, with dependents residing at a designated CONUS location, per Permanent Change of Station (PCS) orders, are entitled to BAH-I at the zip code in which the dependents reside. The service member is also authorized OHA at the “without dependent” rate and Family Separation Housing (FSH), which combined, compensates them for a majority of the monthly rental payment of the off-post housing.

- BAH-II, also referred to as Table Rate Basic Allowance for Quarters (BAQ), is equivalent to what used to be BAQ. BAH-II does not vary by geographic location; it is based solely on rank. A service member serving an unaccompanied tour in Korea and authorized to reside off post, with non-command sponsored dependents residing with the soldier, is entitled to BAH-II at the “with dependent” rate. The soldier is also entitled to OHA at the



“without dependent” rate, which combined, compensates the soldier for the monthly rental payment of the off-post housing required at the soldier’s PDS when authorized by the appropriate authority to reside off-post.

- BAH-DIFF is the housing allowance amount for a member who is assigned to single-type quarters and who is authorized basic allowance for housing solely by reason of the member’s payment of child support. It is based on the court-ordered or voluntary support of non-custodial minor dependent children. The service member must be paying an amount equal to or greater than the difference between BAH with and without dependents. The amount of BAH-DIFF payable is the difference between BAH with dependents and BAH without dependents.
- Partial BAH is for members without dependents who are assigned to single-type quarters.
- OHA and FSH (type I) compensate members stationed overseas who are authorized to reside off-post, and have dependents who reside in a designated location in CONUS.



BASIC ALLOWANCE FOR SUBSISTENCE (BAS)

Effective 1 January 2002, The National Defense Authorization Act for FY02 entitled all enlisted members to BAS on a permanent basis after completion of basic training.

The current BAS rate is \$241.60 per month for all enlisted members. For enlisted members subsisted-in-kind (those on a meal card), the discount meal collection rate will be automatically deducted from their pay each month at a rate of \$6.75 per day. The collection will be made for three meals a day, whether the meals are eaten in the dining facility or not.



Meal collections are based on the number of days in the month. For example, in the month of January 2002 all enlisted members will receive \$241.60 in BAS. Members on meal cards will have \$209.25 (\$6.75 per day) collected from their pay resulting in a balance of \$32.35. This balance leaves the member with about the same amount as they previously received in partial BAS.

Members in the grade of E-7 or above and other members otherwise authorized separate rations will not have the meals collected. For meals eaten in the dining facility, these members pay the standard rate in cash.



Members on meal cards are now referred to as members who are under Essential Station Messing (ESM). ESM is messing declared by the installation commander, base or station commander responsible for single government quarters and messing as essential for the efficient and economical operation of the appropriated fund dining facility or necessary for the health and safety of enlisted personnel permanently assigned to single quarters.

All officers, married or single, receive BAS, and pay for all of their meals, including those in a government dining facility. Officers on field or sea duty continue to receive BAS, but they are required to pay for their meals. Money for the meals may be deducted from the officers' pay. This deduction is also in effect when essential unit mess is declared. For more information visit <http://www.dfas.mil/money/milpay/pay>.

CIVILIAN CLOTHING ALLOWANCE

Service members directed by competent authority to dress in civilian clothing more than half the time when performing official duty, as a military requirement, may be authorized a civilian clothing allowance. By law, an officer is authorized a civilian clothing allowance only if the officer's permanent duty station is outside the United States. This allowance is paid depending upon the expected tour length and is the same for men, women, officers, and enlisted. Soldiers who are TDY for 15 to 30 days may receive \$270.49 and soldiers TDY more than 30 days may receive \$540.98. For current rates visit <http://www.dfas.mil/money/milpay/pay>.



CLOTHING ALLOWANCE

All officers receive a one-time tax-free initial payment of \$200 after commissioning to purchase uniforms and insignia. Active duty enlisted soldiers are paid a tax-free clothing allowance to defray the cost of maintaining uniforms and replacing worn-out uniforms. This allowance is paid each year at the end of their anniversary month, which is the month the soldier entered the Army. Below are the rates as of 1 October 2001, for current rates visit <http://www.dfas.mil/money/milpay/pay>.



Cash Clothing Replacement Allowances		
TYPE	Army	
	Male	Female
Basic	280.80	338.40
Standard	403.20	482.40



CONTINENTAL UNITED STATES COST OF LIVING ALLOWANCE (CONUS COLA)

In 1994, Congress authorized a new tax-free continental United States cost-of-living allowance (CONUS COLA) for service members stationed in the continental United States, excluding Hawaii and Alaska. It is an amount of money for soldiers whose dependents reside in designated high-cost areas in CONUS. The monthly CONUS COLA allowance is meant to offset regional differences in costs for transportation, taxes, food and other items. This allowance may be paid to compensate for the higher cost of living in areas where living expenses, other than housing, are higher than the national average. Payments range from one percent to 11 percent of the soldier's base pay, depending upon the location. For more information visit the Defense Finance and Accounting Service (DFAS) Web Site <http://www.dtic.mil/perdiem/ccform.html>.



DISLOCATION ALLOWANCE (DLA)

The purpose of DLA is to partially reimburse a member, with or without dependents, for the expenses incurred in relocating the member's household on a PCS, housing moves ordered for the Government's convenience, or incident to an evacuation. This allowance is in addition to all other allowances authorized and may be paid in advance. There are a number of other situations in which members may or may not be entitled to DLA. DLA cannot be paid twice within the same fiscal year. For more information visit <http://www.dtic.mil/perdiem/dla.html>.



DUAL OVERSEAS HOUSING ALLOWANCE (DUAL OHA)

An amount of money authorized for soldiers to help defray a significant amount of the housing costs incurred by service members assigned to OCONUS locations. It is paid to soldiers with dependents residing elsewhere (either overseas or in CONUS) and the member is required to reside in private leased housing because Government quarters are not available. Soldiers must apply through their local Housing Office or Directorate of Engineering/Housing.

FAMILY MEMBER SUPPLEMENTAL SUBSISTENCE ALLOWANCE (FSSA)



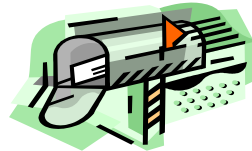
The National Defense Act for Fiscal Year 2001 added FSSA to Title 37, United States Code, Section 402, Basic Allowance for Subsistence (BAS). This new entitlement designed to remove the member's household from eligibility for benefits under the food stamp program. FSSA is a non-taxable supplemental subsistence allowance, which became effective 1 May 2001. Members who's gross income, together with the gross income of their entire household, is within 130 percent of the poverty line as defined by



the U. S. Department of Agriculture (USDA) of a household of a given size will be entitled to FSSA.

To apply contact your local Army Community Service Center to determine if you meet eligibility requirements. You must submit a DA 4187 signed by the first field grade officer in your chain of command to the Finance Office. When your pay increases more than \$100.00, FSSA will automatically stop and you must reapply. For more information visit the FSSA Web Site at <https://www.dmdc.osd.mil/fssa>.

FAMILY SEPARATION ALLOWANCE (FSA - TYPE II)



FSA Type II - Payable at a monthly rate of \$100.00. This allowance is paid on the 31st consecutive day and is retroactive to the first day of separation. Three types of FSA TYPE II are:

1. FSA - R (Restricted) - Transportation of dependents is not authorized at government expense and their dependents do not live at or near the member's permanent duty station.
2. FSA - S (Ship) - Member is on duty aboard a ship, away from the homeport of the ship continuously for more than 30 days.
3. FSA - T (Temporary) - Member is on Temporary Assigned Duty (TAD)/TDY away from the permanent duty station continuously for more than 30 days and the dependents are not authorized to accompany member.

Under FSA-S and FSA-T, dependents must be living with the member at or near the permanent duty station.



Soldiers serving an unaccompanied tour in Korea, or who meet the regulatory requirements for separation from family members in Korea already receive this entitlement under the Armistice. Member's who will be separated from family members as the result of a mandatory Noncombatant Evacuation Operation (NEO) are eligible for this entitlement monthly effective on the day the dependents depart from the member's duty station.

FAMILY SEPARATION HOUSING (FSH)



Prior to 1 January 1998, Family Separation Housing (FSH) was known as Family Separation Allowance – Type 1. The purpose of FSH is to pay members for added



housing expenses caused by enforced separation from dependents. The member must be assigned on permanent duty outside the United States or in Alaska and meet all the following conditions: 1) transportation of dependents to the permanent duty station is not authorized at government expense; 2) dependents do not live at or near the permanent duty station; and 3) adequate government quarters or housing facilities are not available for assignment to a member and inadequate government quarters or housing facilities are not assigned.

FSH is payable in a monthly amount equal to BAH payable to a member without dependents in the same pay grade.

OUTSIDE CONTINENTAL UNITED STATES COST OF LIVING ALLOWANCE (OCONUS COLA)



An amount of money designed to help members stationed in high-cost areas overseas maintain purchasing power, so they can purchase about the same goods and services overseas as in the United States. **NOTE: COLA is payable only when the cost of living in the area the member is assigned to exceeds what it would be in an average area in the United States.** COLA is based on duty location, rank, time in service and number of dependents. Soldiers authorized to move dependents to an OCONUS location while serving an unaccompanied tour may be authorized to receive COLA for the dependents at that location. Authorized by finance during in-processing. For more information please visit <http://www.dtic.mil/perdiem/ocform.html>

OVERSEAS HOUSING ALLOWANCE (OHA)



An amount of money designed to help defray a significant amount of the housing costs incurred by service members assigned to OCONUS locations. The allowance is payable to both members with and without dependents who are authorized by the appropriate authority to reside in privately leased/owned quarters. Soldiers authorized, by PCS Orders to move their dependents to an OCONUS location may be entitled to receive OHA for their dependents at that location. For soldiers living off post in overseas areas, the tax-free overseas housing allowance (OHA) can be paid in addition to BAH. The member's PCS orders must authorize movement of the family members to the OCONUS location.



Soldiers must apply through their local Housing Office. Housing will assist in preparing all necessary documents: DD Form 2367, Individual Overseas Housing Allowance; DA Form 4187 (signed by the soldier's commander); Lease Agreement; Statement of Non-Availability; and Permanent Change of Station Orders. For more information visit <http://www.dtic.mil/perdiem/ohaform.html>

Single service members or member married to member with no other dependents serving a tour in Korea and authorized to reside off -post are entitled to OHA at the without dependent rate. Service members serving an accompanied tour in Korea and residing off-post are entitled to OHA at the with dependent rate.

PER DIEM ALLOWANCE

For soldiers traveling on government business or performing duties at another post, government quarters and mess should be fully utilized when available. When government quarters and mess are unavailable, soldiers are entitled to per diem, which is a tax-free daily allowance for the added expenses of buying meals and/or living in hotels while on official business.



There are two types of per diem. The first and most common is for temporary duty (TDY) when soldiers are performing duty away from their unit of assignment. The other type is for soldiers traveling to a new duty assignment. Additionally, soldiers may receive an incidental portion of per diem (\$2.00 for CONUS; \$3.50 for OCONUS) when deployed or participating in a joint exercise, where the incidental payment is authorized.

Per Diem reimbursements are meant to cover basic expenses for food and shelter. The per diem rates fluctuate periodically to reflect changing costs in different geographic areas. The per diem rates for all geographic areas are available in the appendices in the JFTR, volume I and on the Internet at: <http://www.dtic.mil/perdiem/pdrates.html>.

Allowances and foreign currency

The per diem, travel and transportation allowance committee prescribes cost-of-living and overseas housing allowances for uniformed members stationed overseas. Although these allowances are paid to members in US dollars, many of the costs incurred are actually paid by members in foreign local currency. This necessitates periodic adjustment of US dollar denominated allowances to maintain purchasing power in the local currency utilized by members overseas.



In order to accomplish this, twice each month, in conjunction with military paydays, the per diem committee staff reviews exchange rates for countries where uniformed personnel are assigned and, when warranted, makes adjustments to the cost-of-living and overseas housing allowances based solely on fluctuations in the rates of exchange. The currency adjustment model is designed to compensate for the daily differences between the rate upon which allowances are prescribed and the rate members actually trade their dollars. Adjustments are made such that over time these differences are automatically eliminated. It is important to note that the model is a mechanical one and adjustments both up and down are processed exactly the same. Prior to September 1999, a cumulative threshold of 10% was used to trigger a change in the allowance rate. As of end of September 1999, the threshold used to trigger a change was reduced from 10% to 5%. All allowance changes are announced at www.dtic.mil/perdiem/

CHAPTER 4

TYPES OF PAYMENTS

ADVANCE PAY (AP)

An advance of base pay is an interest free loan from the Army, but it **must be** paid back. An AP must be paid back within 12 months after receipt of payment, starting the month after it is first received. If a 12-month repayment schedule would cause undue financial hardship, the soldier may be authorized to extend repayment over 24 months.



An advance pay covers extra expenses normally caused by a permanent change of station (PCS) move. Soldiers may receive up to one month's advance pay at their old duty station and/or two months' advance pay at their new duty station. Soldiers are required to itemize the expenses related to their PCS move in order to qualify for the advance pay. The Finance Office is the final approving authority for advance payments.

CASUAL PAY (CP)

A casual pay is an immediate payment of an entitlement. The soldier must show an immediate need for the money to replace an entitlement not yet processed. If entitled to back pay a CP may be processed. Since it is a payment for an entitlement to be paid on the next payday, there is always a one-time lump sum collection from the soldier's next paycheck. This offsets the paid entitlement to prevent the soldier from owing a debt. Commanders must approve requests for casual pays; however, the Finance



Office is the final approval authority. Soldiers who require immediate emergency funds that do not qualify for a casual pay should contact the **Army Emergency Relief**.



PCS TRAVEL ADVANCE

A soldier is authorized a travel advance prior to proceeding on a PCS move. Advance PCS travel pay is 80% of the estimated cost of your allowable travel expenses. This money is for travel expenses only. If the advance payment is more than the soldier should have received, the amount not authorized must be paid back to the government ***in one lump sum***.

Soldiers should save copies of travel advance vouchers and all receipts. This information is needed to complete a travel voucher, DD Form 1351-2, upon arrival at their new duty station. Once soldiers complete and submit their DD Form 1351-2 to their finance office, the finance office will compute the final travel payment.

TEMPORARY DUTY (TDY) TRAVEL PAYMENTS

Temporary duty (TDY) travel is official travel to perform duty at a location away from the permanent duty station. Soldiers who have a Government travel card can use it to get cash advances through ATMs and to charge their expenses while they are traveling. Soldiers without a travel charge card can request an advance from their servicing finance office.



Soldiers must first check at the installation for government lodging availability. If none is available the soldier must receive a statement of non-availability. Remember each post and city has a different per diem rate for lodging and food. Lodging reimbursement is based on the cost of a single room. The area-lodging rate is the maximum cost per night that a soldier will be reimbursed for lodging expenses.

Per Diem is a daily allowance to pay for the cost of food, lodging, and incidental expenses while away from home or permanent duty station on official travel. It does not include the cost of items such as parking or car rental which are "reimbursable expenses" that are computed separately. Soldiers receive 75% of appropriate meals and incidental expenses (M&IE) rate for the first and last day of travel, regardless of the time of departure or return.



Per Diem rates are available in the applicable appendices in JFTR, volume I and on the Internet at: <http://www.dtic.mil/perdiem/pdrates.html>. Soldiers should check these rates **before** starting their TDY trip because they will not be reimbursed for amounts over the per diem rate. If a soldier is TDY at an installation at which he will be permanently assigned immediately following his TDY period (i.e. TDY enroute), no per diem is payable.

The DD Form 1351-2, travel voucher, should be completed **within 5 days after completion of travel**. All supporting documents such, as orders and original lodging receipts must be attached. Original receipts must accompany all reimbursable expenses of \$75.00 or more.

TEMPORARY LODGING REIMBURSEMENTS



During the process of leaving an old duty station and arriving at a new duty station soldiers may have to stay a few nights in a hotel or a guesthouse. If so, they may be able to receive temporary lodging allowance (TLA) and/or temporary lodging expense (TLE) payments. Check on eligibility for this allowance at the finance office **prior to planning a PCS move**. Normally, the payments are limited to 10 days between the old and new duty station for CONUS moves. Overseas temporary lodging duration limits vary. Soldiers may not receive temporary lodging while on leave.



TEMPORARY LODGING ALLOWANCE (TLA)

An amount of money designed to partially reimburse a member for the more than normal expenses incurred when the member and/or dependents are required to occupy temporary lodging prior to moving into permanent quarters. Reimbursement consists of expenses for lodging and meals obtained as a direct result of using temporary lodgings outside CONUS. It is only paid while OCONUS. Soldiers must apply through their local Housing Office or Directorate of Engineering/Housing. TLA will be paid on the soldiers LES. Soldiers staying at the Dragon Hill Lodge will have their hotel bill collected from their LES if the soldier does not pay their bill. Soldiers staying on the economy must pay their bills when they check out. For more information please visit the DFAS Web Site <http://www.dtic.mil/perdiem/faq.html>.

TEMPORARY LODGING EXPENSE (TLE)

An amount of money designed to partially reimburse a member for the more than normal expenses incurred when the member and/or dependents are required to occupy temporary lodgings in CONUS incident to a PCS. Reimbursement consists of expenses



for lodging and meals obtained as a direct result of using temporary lodgings in CONUS. Soldiers are authorized 5 days of TLE in conjunction with a PCS to an OCONUS location. For more information please visit the Defense Finance and Accounting Service (DFAS) Web Site <http://www.dtic.mil/perdiem/tlefag.html>.

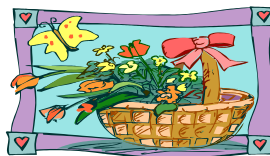
CIRCUMSTANCES THAT WILL IMPACT UPON A SOLDIER'S PAY

Deployment: Deployments are a common occurrence throughout a soldier's career. In addition to the soldier's base pay and other authorized allowances, there are other entitlements that soldiers may receive when deployed.



In-processing: When soldiers arrive at their new duty station there are a few things they must do at the finance office. First, they must file their travel voucher, DD Form 1351-2. Their travel voucher will be computed at the finance office and soldiers will be paid any authorized travel money minus any advances they may have received. If the advances were more than the authorized amount, soldiers will have a debt to the government, which they must repay.

WELC



When soldiers in-process at finance they must bring copies of any paperwork that may affect their pay. For example, copies of statement(s) of non-availability of government quarters, rental agreement, lease or mortgage paperwork for BAH purposes, marriage certificates, divorce decrees, birth certificates, adoption papers or anything else that may affect pay.

If soldiers are eligible to receive separate rations, BAH and/or any other allowances or entitlements, the PAC and the finance office will ensure the soldiers' pay, allowances, and entitlements are started. Also, if entitlements change in any way (start/stop FSA, foreign duty pay, etc.), the soldiers pay account should reflect those changes on their next LES.

Out-processing: Once soldiers receive PCS orders they should schedule an appointment with their finance office to obtain any advance pays.

Permanent change of station: Permanent Change of Station (PCS) orders are official notification that soldier's permanent duty station will be changing and they will be

